WHAT IS CLAIMED IS:

1. A method of annotating an XML schema to describe a non-XML data stream containing input data to create an XML instance, comprising:

including nodes within said XML schema to define characteristics of said non-XML data stream;

receiving said non-XML data stream;

parsing said non-XML data in accordance with information contained in said nodes; and

creating said XML instance containing said input data.

2. The method of claim 1, further comprising:

defining, in said XML schema, delimiters, TagNames, positional information within said non-XML data stream.

3. The method of claim 1, further comprising:

annotating said XML schema with said nodes in accordance with standard conventions applicable to an XSD schema.

4. The method of claim 1, wherein said non-XML data comprises at least one of flat files, EDI files, and COBOL files.

5. An editor for defining an XML schema that describes a non-XML data stream, comprising:

an instance tree view;

a text view of said XML schema; and

a properties view,

wherein properties associated with said non-XML data stream are entered via said properties view to define characteristics of data contained within said non-XML data stream, and

wherein said properties are annotated within said XML schema.

6. The editor of claim 5, wherein said text view further comprises a color-coded view of a portion of said XML-schema associated with a particular node.

7. The editor of claim 5, wherein said specific properties comprise XSD properties.

8. The editor of claim 5, further comprising:

an extensibility mechanism wherein said properties for specific nodes associated with differing types of non-XML data are specified.

9. The editor of claim 8, further comprising:

a custom view for adding properties to each node that appear in said properties view.

10. The editor of claim 5, further comprising:

a validation mechanism; and

an instance generation mechanism.

11. The editor of claim 10, wherein said schema is validated from a non-XML perspective.

12. The editor of claim 10, wherein sample instance data is generated from said XML schema containing data from said non-XML data stream.

13. A method of providing schema editor extensions to a schema editor, comprising:

providing assemblies containing implementation to extend a functionality of said schema editor; and

referencing definitions of interfaces for exposing extended functionalities to said schema editor.

14. The method of claim 13, wherein said extended functionalities include additional properties added to elements and attributes of an XML schema.

15. The method of claim 14, further comprising:

providing a property manager that implements an interface to define custom properties for said elements and attributes.

16. The method of claim 15, further comprising:

storing said custom properties within said XML schema.

17. The method of claim 15, further comprising:

annotating said XML schema to describe non-XML data streams.

18. The method of claim 15, further comprising:

providing a validator to validate said custom properties.

19. The method of claim 15, further comprising:

providing an instance generator for generating an instance of said XML schema.

20. The method of claim 13, further comprising:

annotating a schema being edited by said schema editor to include information about said extended functionalities.